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# AGRICULTURAL MARKETING



FEBRUARY 1967

## BULK TANK TRUCK FOR MILK MARKETING



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BELTSVILLE BRANCH

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# "As American As A Hotdog"— FOOD STAMPS

**T**HE U.S. DEPARTMENT of Agriculture's Food Stamp Program is rapidly being accepted as a uniquely American way to bring more and better food to low income families. In 1966, the program grew from 191 areas in 36 States and the District of Columbia, to 478 areas in 41 States and the District, and was helping some 1.3 million needy people at the end of December.

One of the most typically American things about the program is the spontaneous cooperation by individuals and groups who have something to offer which would contribute to the success of the program. Hundreds of these unsolicited acts occur every month across the Nation.

In Wilkes-Barre, Pa., recently, a program worker was approached by a local celebrity—a former sports hero now a physical education

teacher in the local high school. The teacher had read that the Food Stamp Program was coming to his area. He volunteered his help in telling people about the program. His help was gratefully acknowledged and accepted. One hometown endorsement may be worth a thousand others.

Radio and TV stations across the Nation have been cooperative in making free announcements about the program and running films and slides to keep their listeners and viewers informed. A radio station in Nashville, Tenn., devoted an entire hour to the program and then extended the time because the event generated so much public interest. The program was built around questions phoned in by listeners. Answers to the questions were given by Food Stamp Program personnel and the Tennessee Department of Public Welfare. The program's an-

nouncer endorsed the Food Stamp Program several times during the program.

In Winston-Salem, N.C., the police department's community service unit includes food stamp information in its orientation courses. Policemen frequently have opportunities to assist people needing help with their family problems.

And in Willmar, Minn., country and local school nurses wanted to learn about the program. The nurses reach many people in need of food assistance.

In Dayton, Ohio, the Marketing Service Department of a well-known cash register company has included food stamp handling in its check-out cashier training course. In Los Angeles, Calif., classes for grocery checkers at an adult education training center have incorporated food stamp transactions.

**ORVILLE L. FREEMAN**  
*Secretary of Agriculture*

**S. R. SMITH**, Administrator  
Consumer and Marketing Service

*Editor*, James A. Horton  
*Writer-Editor*, Devra L. Simon

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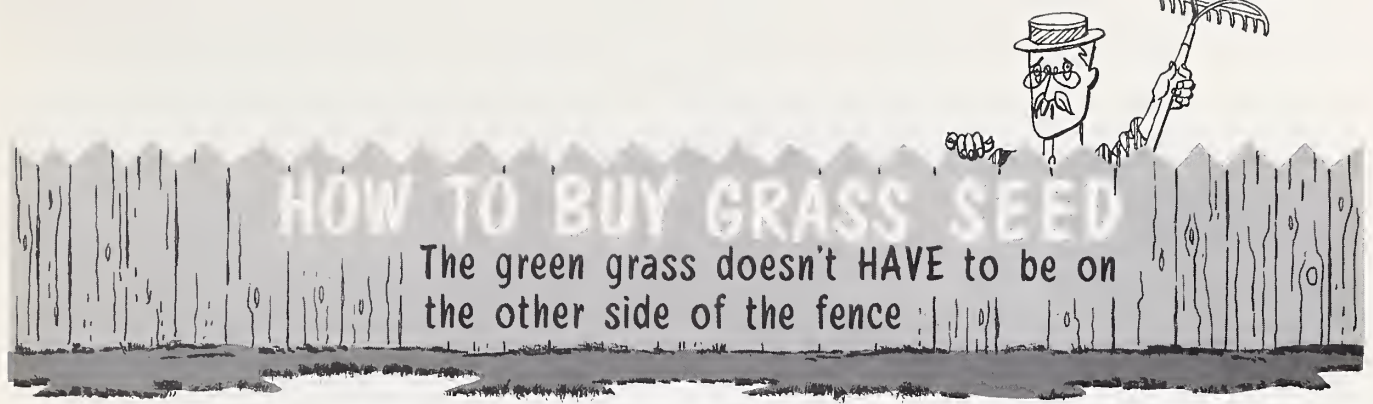
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## Cover Page

Milk marketing orders help keep bulk tank trucks like these in action. See page 13.

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OSCAR, THE SUBURBANITE, surveyed his newly planted front yard—feeling content. He had loosened the sub-soil, added new top soil, spread fertilizer, and planted grass seed. He was sure that his lawn would have a “carpet-like” appearance.

But Oscar would be disappointed. He hadn't read the label on the box of seed. To get that “carpet-like” lawn he should have bought seed of fine-textured grass—the box he got contained mostly seed of coarse kinds.

If Oscar had read the label he would have found out what kinds of fine and coarse grasses were included in the blend and the percentage by weight of each kind. He would have also found the percentage of weed seeds and of inert matter—such as dirt, chaff, and stones—in the blend, the percentage of seeds of each variety likely to germinate (produce normal seedlings) and the date on which the seeds were tested. Generally, the germination percentage is considered reliable up to six months after testing.

Such information is required under many State laws and by the Federal Seed Act, a truth-in-labeling law which applies to seed sold in interstate commerce and is administered by the Consumer and Marketing Service of the U.S. Department of Agriculture.

And, under a recent amendment to the Federal Seed Act, grass seed labels will be required to identify each kind of seed as either fine or coarse textured.

Price may have influenced Oscar to buy the seed he did. Seed of fine-

texture grasses is usually more expensive per pound. He may not have been aware, however, that there are many more seeds per per pound of the fine-textured grasses than of the coarse kinds.

For example it takes upwards of 7 million bentgrass seeds and about  $2\frac{1}{4}$  million bluegrass seeds to make a pound of each. It takes only 225,000 tall fescue or ryegrass seeds to make a pound of each.

When buying grass seed, Oscar should have asked himself several questions. What will the lawn be used for? In what type of climate do I live? Will the lawn be in the shade or in the sun?

Oscar might have only wanted to plant a fast-growing grass to cover the back lot which the neighborhood children use as a multipurpose playground. He might then not want any of the more expensive fine grasses, which are slow to grow, but instead the coarse grasses, which are usually cheaper per pound and faster growing. The fine-textured grasses, with the narrow soft leaves, include the bluegrasses, red fescue, chewings fescue, and bentgrass. Most other kinds tend to grow in clumps, have wider leaves and coarser stems, and are considered “coarse.”

Once Oscar has decided the type of lawn he wants he must then consider the climatic conditions of his area and the conditions of sun and shade his grass will encounter.

Kentucky bluegrass, rough bluegrass (often called by its Latin name, *Poa trivialis*), red fescue, and bentgrass, for example, are suitable for lawns in the northern States,

while the list of grasses suitable for lawns in the warm regions include bermudagrass, carpetgrass, zoysia, and St. Augustine grass.

Grasses that tolerate shady areas are red fescue, rough bluegrass, and St. Augustine grass, while bentgrasses, Kentucky bluegrass, bermudagrass and carpetgrass require more sun.

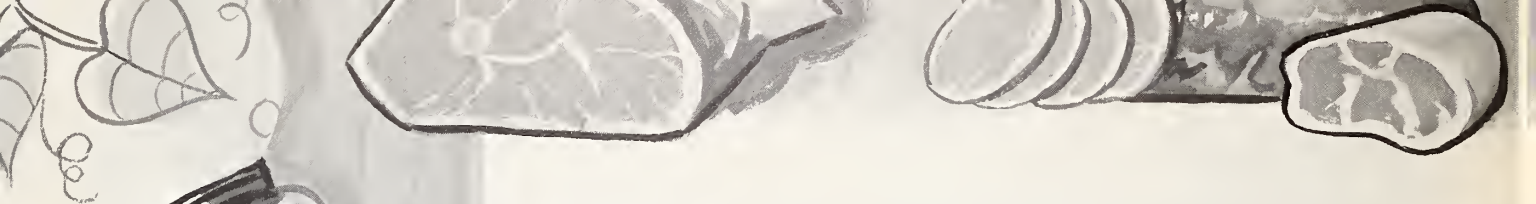
Red and chewings fescue and rough bluegrass—which is really a fine-textured grass similar in appearance to Kentucky bluegrass—are often mixed with Kentucky bluegrass for planting in shady areas of the lawn.

Most seeds that are used for lawns are perennial, that is they survive from year to year. One major exception is annual ryegrass, which dies out after one season.


Experts frequently recommend a blend of various suitable kinds and varieties of grass seeds instead of a single kind because diseases which might attack certain varieties might not attack others. Also, a blend of both fine-textured and coarse kinds is sometimes recommended for a new lawn because the coarse grass, which grows faster, would provide ground cover until the other grass matures. When an already-established lawn is to be thickened, however, only seed of the desired kinds or varieties should be used.

Because the proper blend of grasses varies according to an area, and even according to soil within the area, experts suggest that Oscar should have consulted his county agricultural extension agent, who can recommend the best mixtures for his area and his soil.





# MEAT Worth its SALT



By Nancy Duckworth

**A**LTHOUGH WE USUALLY think of table salt as a seasoning, it actually has a much "nobler" spot in history. As far back as ancient times man learned that salt prevented smoked meat from spoiling.

This led to the process of curing meat and a man's worth was often measured by his salt supply. Even up to 100 years ago, curing was considered a principal means of preserving meat.

Today our appetites have been whetted for the delicious flavors and appetizing pink color of cured products—making them as popular as ever. And, if the label on cured meats carries the mark of Federal inspection, you are assured that the meat is wholesome, safe to eat and truthfully labeled.

This mark is your symbol of protection provided by the U.S. Department of Agriculture's Consumer and Marketing Service. It means that the meat product has passed exacting tests designed to protect you from unsafe, adulterated or deceptively labeled products.

Preserving meat by "salting" is still popular even though it is no longer an essential method of storing meat. In preserving the meat, the salt acts to inhibit the growth of certain bacteria which cause spoilage.

The art and science of curing or "corning" meat still involves either a liquid salt cure generally called a brine or pickle, or a dry salt cure.

The term "corned" comes from the Old Norse word "korn" which refers to grain. Since grain or granulated salt is used, meats preserved this way are called "corned"—like corned beef.

In the late Middle Ages a pinch of "saltpeter" was added to the curing mixture. The result was that instead of turning the usual brown, the meat retained its natural red color. When the meat was cooked,

the red color changed to pink. This made it more attractive and appetizing.

Today, meats are still cured by adding minute amounts of saltpeter—which is either potassium or sodium nitrate.

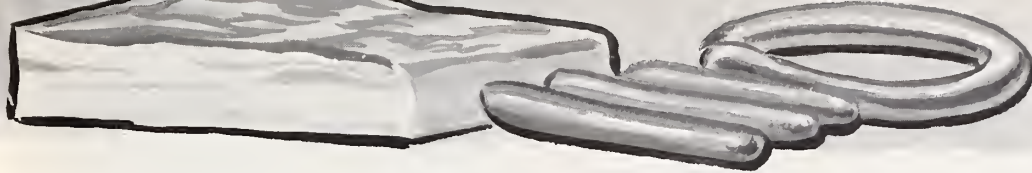
The pink color results from a series of chemical changes in which the nitrate compound is reduced to nitrite. This is brought about by the action of bacteria which occur naturally in the meat. The nitrite must then be broken down into nitric acid which combines with the red muscle pigment in the meat. Further changes take place in the color of cured meat when it is cooked. The red pigment is then converted into the pink pigment of cured meat. Today, common practice is to use both nitrate and nitrite in the cure since nitrite alone does not give good color.

Although such compounds as sodium nitrate or nitrite are toxic in large quantities, they are completely safe when used in the minute amounts permitted in cured products. Their use is carefully guarded by the continual supervision of C&MS officials.

Such acids as ascorbic, erythorbic and citric or bases such as sodium ascorbate, erythorbate or citrate, or glucono delta lactone may be used to hasten color development.

The addition of sugar also helps insure the best color in cured meats as well as the sweet, delectable flavor we are accustomed to in products like ham. Some of the different sugars used are sucrose, dextrose, and corn or malt syrup. When artificial sweeteners like saccharin or cyclamate are used in hams and bacon, this must be stated on the label.

All ingredients and methods used in preparing federally inspected cured meats must be approved in



advance by C&MS. The amount of ingredients like nitrates and nitrites are carefully controlled by C&MS and Food and Drug Administration regulations to insure safe, wholesome food.

Various methods of curing are used in different parts of the country and by different processors in the same locality. The main ingredients used in cures today are salt, sodium nitrate, nitrite of soda, and sugar.

There are basically four methods of curing—each physically different although the chemical reactions taking place are the same.

The first and the oldest is *air drying* or *dry heat*. Here the meat is salted and hung in a drying room or smokehouse. Some of the products cured in this manner are dried beef, pastrami, salamis and cervelats.

In *dry curing*, the meat is rubbed on all sides with the dry cure mixture and then packed into containers. Curing takes place when the moisture in the meat dissolves the curing ingredients which then penetrate into the interior of the meat. Meat processed in this manner generally has a firm texture since it loses up to 15 percent of its original moisture.

There are four types of dry curing procedures which differ mainly in the length of curing time:

"Fancy dry cure" is usually used in curing bacon, but pork jowls and beef brisket (corned beef) may also be done this way. The meat is generally cured three days for each pound of weight.

In "dry cured hams" the total curing time ranges from 45 to 65 days, depending on the weight of the ham. Smithfield and Italian-style hams are examples of this.

"Dry salt cure" results in a high salt content, and formerly was the method used for curing many classes

of meat for export. It is still used quite widely for pork "fat backs," and occasionally for pork jowls and bellies.

The "semi-dry" cure is also used in curing pork bellies in the preparation of bacon. It differs from the dry cure method in that a liquid pickle covers the meat after it has been rubbed with the dry cure.

The third basic method of curing

*The author is a home economist, Labels and Standards Staff, Technical Service Division, C&MS, USDA.*

utilizes a *pickle*, a solution of the curing ingredients and water. The meat may be submerged in the pickle (long cure), or the pickle can be injected into the meat (short cure). In some cases both methods are used. The water hastens the penetration of the salt in the tissues and results in a juicier product.

The pickling solutions used in meat curing are not acid or vinegar like those used for pickling vegetables. Processors have their choice of using either a sweet pickle or a plain pickle solution.

Sweet pickle contains sugar, and most of today's hams are cured with it. A plain salt pickle is commonly used for spareribs and "bean pork."

Fresh meat is packed in a container and then covered with the pickle (long cure). Or, the fresh meat is injected with the pickle and immediately processed into canned or fully cooked products, or placed in a container and covered with more pickle (short cure). Injected hams remain in the cure about 15 days, while the other hams remain in it about 3-1/2 days per pound of weight.

Various kinds of phosphate com-

pounds are often used in curing meat—particularly ham and bacon—to help retain more of the juices and produce a more tender product.

In processing hams under Federal inspection, accurate records are kept on the entire curing and smoking processes. This is done to protect the consumer against mislabeled products. For instance, during the smoking process a federally inspected ham must be shrunk back to its weight before the curing solution was introduced. If they do not come down to their original weight, the hams are returned for further processing, or they must be labeled as "Ham, Water Added," or "Imitation Ham." Similar C&MS regulations cover all cured meat products.

The last method is *emulsion* curing. It is generally used in the manufacture of sausage and ready-to-serve meats. The meat is ground and mixed with the curing ingredients, salt, and spices. Enough water or chopped ice is added to put the curing ingredients into solution.

The entire emulsion is then put into molds or sausage casings. The cure develops when the product goes into the smokehouse and/or is cooked.

When the curing process is completed, the meat is labeled as a fully-cooked product like cold meat and ham. Or, it's labeled as a product which is to be cooked in the home—such as bacon, pastrami and smoked hams.

Remember, the label on federally inspected cured meat products is your guide to good eating. It is your guarantee that the product is wholesome, was processed under sanitary conditions, and is honestly labeled and packaged. So, don't forget to look for that symbol of protection from the USDA's Consumer and Marketing Service the next time you buy any cured meat products.



# MEAT GRADING BLOWS OUT FORTY CANDLES

*For 40 years, meat grading has provided dependable service  
and a common language in the marketplace*

By David K. Hallett

**F**ORTY YEARS AGO, if Charlie Jones wanted to sell some cattle, his task was not easy. Today, his grandson is as close to a sale as his telephone.

What makes the difference? Federal grades for beef and the closely related grades for slaughter cattle.

When Charlie Jones wanted to sell some cattle, he had to worry about getting them to market, first of all. If the market was not a local one, chances are Charlie was handicapped by a lack of communication. There was no common language for buying and selling.

Each area, often each market, had its own terms to describe the quality of the livestock sold. Even after his cattle were sold, Charlie was not sure he'd received a fair price.

Charlie's grandson has probably grown up using terms such as Prime, Choice, Good, etc. to describe the quality of cattle. Federal market news services make it possible for him to get price information by grades from the newspapers, radio, and television broadcasts, or by telephone. When he decides to sell his cattle, he can compare the price he is offered with prices paid in nearby markets, and those across the State and Nation.

Federal grade names, which provide a common language for the livestock and meat industry, have made this possible.

The grading of beef by the U.S. Department of Agriculture was started in 1927 in response to requests from cattle breeders and feeders. Grading was provided on an optional basis with only the two highest designations—Prime and Choice—being used. Now there are six other quality grades for beef—Good, Stan-

dard, Commercial, Utility, Cutter and Canner.

The grading program stayed and grew because:

Consumer preference for quality was reflected to producers who found themselves in a better bargaining position, with more buyers bidding for their livestock.

It increased the consumer acceptance of meat. More people bought more beef.

*The author is Asst. to the Chief,  
Meat Grading Branch, Livestock  
Division, C&MS, USDA.*

Retailers discovered it helped them to provide consistently the uniform quality of meat their customers wanted and helped hold down marketing costs.

Small independent packers discovered Federal grades helped them compete with the large national packers.

Today USDA's Consumer and Marketing Service grades more than 11 billion pounds of beef annually. This represents more than 60 percent of total production.

In addition to the grades for beef, official standards also have been developed for grades of veal, calf, lamb, and mutton. Fifty-nine percent of the lamb and mutton produced—and a smaller percentage of the veal and calf—are graded annually. Grade standards have also been developed for feeder and slaughter animals.

The use of these closely coordinated systems of grades in the marketing of livestock and meat is the only nationally available means of reflecting consumer preferences for meat through marketing channels to the livestock producer. This information is used by producers to plan their production and marketing programs.

Federal meat grading has undergone several changes in its forty-year existence. These changes have been necessary in order that the grading system could be of the greatest value to its users. Changes have been made to reflect research findings and to clarify the standards and make their application more uniform.

The most far-reaching change has been the adoption of standards for yield grades of beef. Yield grades, which were adopted in 1965, reflect the amount of salable meat from a beef carcass—regardless of the quality grade.

The introduction of these grades stems largely from a consumer demand for closely trimmed meat. Beef carcasses of the same quality grade differ widely in the amount of fat that is trimmed in making retail cuts and therefore in their value. Use of yield grades provides a tool for determining more precisely the percentage of the carcass weight that can be sold by the retailer and for estimating value differences among cattle or beef carcasses of the same quality grade.

Yield grades are used by the industry not only as a marketing tool but also as a means of evaluating carcasses in breed improvement and similar programs. These grades are expected to play as important a role in the future of the livestock and meat industry as the quality grades have played in its development.

Federal meat grades are now an established tool in the marketing of livestock and meat. The steady growth of the service speaks for itself. For 40 years, from producer to consumer, Federal meat grading has provided dependable service and a common language in the marketplace. Consumers have come to rely on Federal beef grades for assurance of quality across the country.





## KEE OPENS DOOR TO IMPROVED MARKETING

*M. Fisher Kee teaches modern fruit and vegetable marketing techniques at CENTO workshop.*

**W**HAT DOES A WEST PAKISTANIAN mango have in common with a Virginia apple? Ask M. Fisher Kee, a marketing specialist with the U.S. Department of Agriculture's Consumer and Marketing Service. The U.S. Economic Coordinator's office of the Central Treaty Organization invited Kee to a CENTO-sponsored workshop program—to teach interested representatives of CENTO countries about marketing fruits and vegetables. Kee was one of 300 USDA specialists who served overseas last year in 39 countries as part of the total USDA effort to help hungry nations help themselves.

The workshops were held in Tehran, Iran; Lahore, West Pakistan; Dacca, East Pakistan; and Ankara, Turkey. Kee discussed standards, grades, inspection, marketing information, and research. Other Americans spoke on food production, planning, harvesting, storage, exports, credit, cooperatives, the role of government, and other facets of marketing.

In discussing marketing problems, Kee heard some interesting stories. "It is an ancient practice in Iran to store grapes in a cave with a lighted candle. The grapes stay fresh for a long time because the candle uses up much of the oxygen. This is somewhat like the principle of putting fruit to sleep that we call controlled atmosphere storage, though in a much simpler form. In America, this type of storage is really just coming into widespread use."

On the other hand, the Middle East could well take some advice in certain areas of marketing. Kee noted that here some fresh fruits and vegetables are likely to arrive at the market in a much poorer condition than in the United States. "In

this part of the world, farmers use donkeys as their means of transportation. In Iran, for example, trapezoidal shaped baskets with sharp corners are tied on either side of the donkey and the fruits and vegetables are packed in the baskets. This is fine for the more hardy crops, but peaches and tomatoes packed in these baskets are on their way to being juiced by the time they reach market."

"We suggested," said Kee "that farmers use stack boxes with smooth corners and place a cover on the load to prevent sun damage when transporting crops to market."

According to Kee, those attending the workshop were eager to discuss their problems. The participants were enthusiastic, and paid close attention to suggestions, especially when visuals were used to overcome the language barrier.

"In our talks, we tried to put across the concept of storing crops in a root cellar. Many people store crops such as potatoes and onions in their houses, sometimes even in the bedrooms! By using visuals, we explained how to build a root cellar, how to use it, and why it should be used. We had very good response on this."

Some of the other Kee impressions from the workshop—on the subject of the market place: "The markets are very crowded. In some places it is required by law and in many places it is the custom to auction all fruits and vegetables sold. They believe this enables the smaller farmer to compete with the larger grower."

Marketing legislation, or lack of it, seems to leave something to be desired in this part of the world: "We saw a need for expanding marketing

departments and strengthening the role of the marketing official."

What was accomplished by this workshop venture? "A country's increased production of food will have no effect on the economy and health of that country if poor marketing practices hinder the distribution of the food. Our purpose in teaching at the CENTO sessions was to help solve some of the problems in the marketing of fruits and vegetables. The high level people in attendance at the workshops would then take the information and hold the same types of workshops on a provincial level. This way, the advice and information would get to the proper people with the sanction of a respected and important person.

"These workshops also served as an example on how to teach by using a practical down-to-earth approach with the class participating and learning from each other.

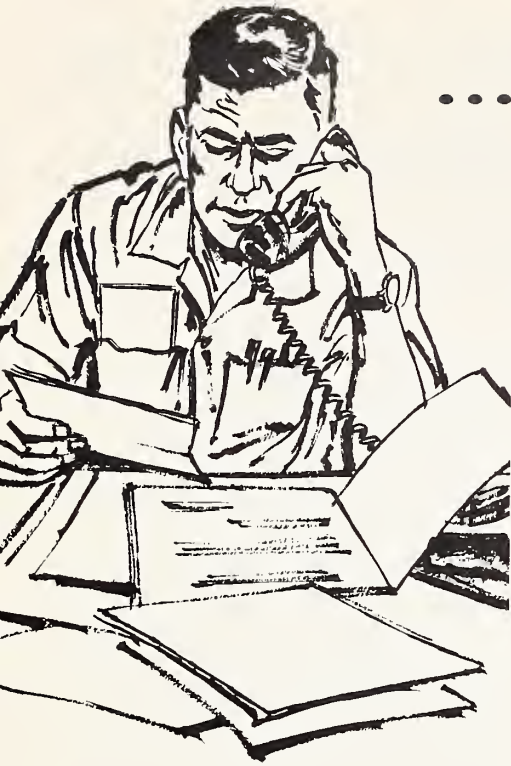
"Two of the countries involved—Iran and Turkey—are already in the process of conducting these workshops in several parts of their countries," said Kee, illustrating the quick success of this type of workshop.

Kee said it is "a good feeling to share your knowledge with people who really appreciate the effort."

"In the workshops we did not merely transport American know-how," said Kee, "but we tried to help these countries develop their own know-how."

A long term prediction:

"This session just might pave the way for the marketing of West Pakistani mangoes comparable in quality, price, and freshness to American Delicious apples."



## Modernized Media

As means of communication change, so does market news reporting. The news still goes out by mailed release, and through newspapers and magazines. But faster—almost instantaneous—dissemination is accomplished via TV, radio, and teletype and even by a telephone “dial-a-report.”

The content, too, changes. New forms of trading and new demands for information lead to revamping of reports. For example, as markets become more sensitive to both quantity and quality of products, market news sharpens its language. Some price reports that formerly bracketed a sizable span of prices now draw fine distinctions by quality. Probably the cotton and tobacco price reports present the most detailed data by quality class.

Moreover market news reporting must go where the trading is. More is now in the country. Also, more is now done by direct transaction rather than on organized exchanges. So, reporters now often use the telephone or automobile to reach their sources of trading information.

## Twin Tasks

The individual buyer or seller wants market news information so that he can be knowledgeable in his trading. That information is his protection in trading.

In terms of the market system as a whole, market news carries out a dual mission. First, it helps in establishing price at a given market. At any market or market area, market news reports help buyers and sellers to keep track of both available supply and price. They do about the same job as the ticker tape does for trading in shares on the stock market. Each successive transaction is a base datum for the next. Through the interplay in many transactions a prevailing price is arrived at.

Likewise, if initial prices are out of kilter with the basic supply and demand forces, a corrective action sets in.

Thus does market news reporting, in meeting the needs of the individual trader, become a valued instrument of the price-making process.

Second, it helps keep markets in normal relationship with each other—geographically and at the successive stages through which a product moves. The more familiar version of this is geographic alignment. The strawberry report at Hammond gave data on Chicago and St. Louis thereby enabling the Hammond market to stay in roughly a normal relationship to those wholesale centers.

Geographic alignment is accomplished best when some buyers or sellers act on reported prices. They respond by shifting their purchases or sales. This is the heart of the process. If retail buyers find the vegetable market at Philadelphia to be overloaded and weak, those able to do so may shift their procurement to that market. The price there is strengthened; it is aligned.

Similarly, if Illinois hog farmers learn that the Peoria yards are laboring under a heavy run but Chicago is strong, some farmers located midway between the two will change their mind about heading their truck toward Peoria. They will send their hogs to Chicago instead.

The second kind of alignment of markets to which market news contributes is that between stages in marketing—at the farm, at wholesale, and at retail. Wherever market news does this, it performs a useful service. The marketing system works best when prices are synchronized through all stages, even to retail.

For some products, market news fulfills this role fairly well. This is true especially between the farm and wholesale. There is a growing interest, for example, in reporting carcass and product prices for beef,

By Harold F. Breimyer

OF THE SEVERAL MARKETING SERVICES that Federal and State departments of agriculture provide, market news is one of the oldest, best known, most far-flung, and least disputed.

Market news reporting began as long ago as 1915. In that year, strawberry farmers delivering their ripe, red fruit at Hammond, Louisiana, found a sheet of data posted that showed the current receipts and prices at faraway Chicago and St. Louis.

In 1965 the 50th anniversary of market news was observed, with suitable fanfare. (*See Agricultural Marketing*, March 1965.)

About 40 State departments of agriculture now join with the U.S. Department of Agriculture in giving markets for all important farm products a loud, clear voice. Individual market news reports issued each year add to the impressive total of 350,000.

Market news information still centers on the price being received and paid. Usually it includes other data as well, notably the size of visible supply. It does not extend to production, which is covered by USDA Crop Reports.



# MARKET NEWS

## ITS PURPOSE... ITS PROGRESS... ITS PROBLEMS

pork, and lamb. Dressed-meat reports have been expanded in recent years.

But for many products, wholesale prices are not readily available. Daily or weekly prices at retail are almost totally lacking.

### Problems for the Future

In the recent past, the nagging problems regarding market news have been those of decentralization of markets. Market information is collected most readily and used most advantageously in connection with trading on a central wholesale market. Nevertheless, market news reporters have proved ingenious and resourceful in tracking down trading wherever it is done.

The obstacles to getting information have, however, caused some spottiness in news coverage. The consequences can be not only incompleteness, but also accidental distortion. In some livestock areas, for example, it is said that steers shipped to local or central markets are of a slightly different quality from those sold direct. If true, this creates a trap for market news reporters, who try to report prices in terms of official grade standards or other established descriptions of quality.

But of far more concern is the trend away from negotiated buying and selling as a marketing method. To the extent this takes place, the function of market news is recast, or it may be ended entirely.

One departure is the practice of producing and marketing farm products under a contract. Broilers are delivered to the feed company in fulfillment of a grower's contract. Likewise tomatoes to a cannery, and a number of other products to their outlets.

Another trend is toward what the National Commission on Food Marketing called "formula pricing."

Eggs, for example, often are shipped without a specified price tag. Instead, payment is to be made at some published price plus a premium or minus a discount.

These developments have caused some retrenchment in market news reporting. Not long ago the Federal-State Market News Service dropped its reporting of live broiler prices in the Southeast—the so-called "Georgia mostly" price. This had become essentially a bookkeeping price rather than a market transaction price. It came to be used as a formula—base price and as such it was useful. But it was not a true commodity price. Some State departments of agriculture now publish a comparable quotation.

For farm products produced under contract, the equivalent of market news information for farmers would be "news" relative to the terms of contracts. Reporting of both the progress of contracting and terms of contracts is spotty. For

*The author, until recently, was Staff Economist, C&MS. He is now Professor of Agricultural Economics at the University of Missouri.*

some commodities in some areas it is very good. For others elsewhere it may be totally lacking.

Question may properly be raised as to the right of any farmer who enters a production or delivery contract to be as well informed as one who sells on the market.

Still another problem—or potential problem—in market news turns on its voluntary aspect. Throughout its 52-year history, market news has relied on the willingness of buyers and sellers to reveal what they have paid or received. The vast majority of traders have done so. Their motive is not entirely one of benevo-

lence; they themselves need market information, and that information will be forthcoming only if the information-gathering process works.

For all products, a few scattered persons and firms have always cooperated reluctantly at best. In some commodities, the growth of large diversified companies may sometimes reduce the effectiveness of voluntary cooperation.

There is no immediate danger that voluntary reporting will not continue workable. However, it remains true that the majority of firms must take part if market news is to work well—to the benefit of all. If a substantial number withdraw, the service breaks down.

Lastly, good market news reporting is possible only if the products traded can be identified accurately. This means that much of the trading must be done on uniform grade standards or their equivalent. So far as trading takes place on private rather than official standards, accurate market news reporting becomes more difficult if not impossible.

Some interest has been expressed in extending more price reporting to the retail level. Often, this would not be feasible because many retail foods are highly processed proprietary products sold on the basis of a trade-marked brand. Of those sold unbranded only a part are identified according to official grade standards. Although retail price reporting could be done, it could not be extended to all food products.

### The Dilemma for the Future

Very often, the challenges to market news reporting can be met by resourcefulness. But business-as-usual cannot be the guiding maxim in market news reporting nowadays.

The tougher question, and deeper dilemma, relates to the structural changes in farm marketing. The

*(Continued on page 13)*

# HOW TO HANDLE AN UNPREDICTABLE LADY

*C&MS was prepared to  
welcome Hurricane Inez.*

**I**N LATE SEPTEMBER, INEZ was born in the lower latitudes off the western coast of Africa—an infant who would affect the lives of thousands of persons.

Within 24 hours of her birth, Inez became a twisting, tossing juvenile. Within two days she was roaring like a young lioness. And within a week, “unpredictable Inez” had matured to adulthood with vengeance and determination.

Inez was, in fact, no lady. She was a hurricane. As she roared into the Caribbean, threatening Puerto Rico and the Virgin Islands, her arrival was being planned for.

At Atlanta, Ga., the Southeast District Consumer Food Programs Office of the U.S. Department of Agriculture's Consumer and Marketing Service was plotting the storm's position on its giant hurricane tracking chart. The District CFP Office alerted its field office at San Juan, Puerto Rico. The field office reported that USDA-donated foods were available for feeding hurricane victims.

The CFP field office was referring to USDA foods awaiting distribution to needy persons and institutions, and stored in school lunchrooms for use in USDA's National School Lunch Program. These foods may be immediately diverted to emergency use when natural disasters strike. Disaster victims have first priority for USDA foods.

C&MS has the responsibility, however, of coordinating movement of these foods into disaster areas, working with the individual State or governmental agencies in the affected areas.

Although Puerto Rico had more than 7 million pounds of USDA foods ready for immediate use, Inez fortunately veered to the South. After lashing Haiti, the Dominican Republic, and Cuba with strong winds

and torrential rains, Inez began threatening Florida. She stalled off the Cuban coast—unpredictably changed direction again and again.

As the storm showed more signs of moving northward—threatening the southern coastal areas of the U.S.—C&MS and other public and private agencies involved in various phases of disaster operations placed their emergency staffs on alert, for possible movement to Florida.

At Atlanta, John D. Hughes, C&MS supervisor of commodity distribution in the Southeast, alerted E. Lee McCubbin of the Florida Department of Public Welfare at Jacksonville that C&MS was ready to provide any assistance needed should Inez move ashore along the South Atlantic Coast.

McCubbin, in turn, contacted county directors in each coastal county to remind them that any USDA food needed during an emergency could be immediately released to the American Red Cross or other public and private disaster relief agencies.

A public information specialist from the C&MS Southeast Area Information Division at Atlanta worked closely with the Consumer Food Programs staff, alerting news media to the availability of USDA foods and keeping the Commodity Distribution Division advised of the latest hurricane forecasts from the National Hurricane Center.

Shortly before midnight Saturday, a C&MS public information specialist and commodity distribution staffer—on alert for four days—were dispatched to Miami to help coordinate C&MS disaster operations, should Inez move inland.

Once in Miami the C&MS team conferred with U.S. Weather Bureau, American Red Cross, and Civil Defense Officials, and with repre-

sentatives of the news media. Lines of communication were established for prompt movement of USDA food into the area.

On Monday—after faking a northward movement most of the night—Inez looked back toward the mainland. Hurricane warnings were hoisted for the Atlantic Coast from Fort Lauderdale to Key Largo—including the Miami area.

Fortunately, this time, Inez spared Florida her worst—and the mass feeding plans did not have to be executed. The giant storm finally moved westward from Florida into the Gulf. And the travel-weary Southeast team returned to Atlantic headquarters.

Now Inez became the concern of Southwest C&MS commodity distribution staffers, who could still remember the havoc of recent years from similar storms that unexpectedly smashed ashore in both Louisiana and Texas.

As Inez ambled through the Gulf for another three or four days, the Dallas Consumer Food Programs District Office maintained around-the-clock contact with disaster agencies and food distribution officials along the Louisiana and Texas coasts.

It wasn't until Inez finally died out in Mexico that C&MS workers in Dallas, Atlanta—and in Washington, too—could return full attention to the day-to-day problems of commodity distribution for schools, charitable institutions and needy families.

And next time?

Well, next time it will be another storm and another possible emergency. And again C&MS will be ready—as will the State agencies throughout the coastal areas charged with food distribution activities.



ALASKA, WITH HELP FROM the Consumer and Marketing Service, of the U.S. Department of Agriculture, is upgrading its rural school lunch program—a job high on the scale of difficulty because of the State's extremes of geography and climate.

In the larger towns and cities, operation of a school lunch program is much the same as in the rest of the country. For example, 30 of 37 schools in the Anchorage school district participate in the National School Lunch Program, administered by C&MS.

But cities are not characteristic of Alaska. Many rural schools are accessible only by air or water-way—and not accessible at all for long stretches during the winter. They have limited storage and cooking facilities. Sometimes the only source of water is ice cut from a stream.

In the spring of 1966, Bernice Canata of the C&MS Consumer Food Programs Western District Office in San Francisco was in Juneau conferring with officials of the Alaska Department of Education about providing some kind of lunch program in the remote schools. Miss Canata pointed out that some USDA commodities—canned chopped meat, peanut butter, and raisins—were available from the Washington State warehouse in Seattle. A “snack” program, first step in upgrading, was conceived on the spot.

A basic component of the snack program is a unique product called

## ALASKAN SCHOOL CHILDREN EAT PILOT BREAD

*A basic ingredient in Alaska's snack program—the first step in upgrading its school lunch program.*

pilot bread. It's a kind of hardtack on which is spread the canned meat or peanut butter and raisins—a snack requiring little preparation and no utensils. The pilot bread is provided by the State, along with multi-vitamins, to supplement the USDA commodities, which include dried milk.

The snack program originally was established in 49 schools. In meetings with Alaska officials last September, C&MS people from Washington and San Francisco agreed to bring the program to 13 additional schools this term, and to provide the program with a full year's supply of canned meat, peanut but-

ter, and raisins. Some 3100 students are now included in the snack program.

Locations of four of these schools serve to illustrate the logistics problem. One program is in the tiny settlement of Anaktuvuk Pass in the Brooks Mountain Range some 300 miles northwest of Fairbanks. Another is on Little Diomed Island in Bering Strait, which is the island nearest USSR's Big Diomed with just the International Date Line between them. Two others are on St. Paul and St. George in the Pribilof Islands—the home of the Alaskan fur seal—which are better than 1000 miles southwest of Anchorage.

An additional step was taken in the selection of three remote schools where Type A lunches will be provided. This presents formidable planning problems but school lunch officials are selecting commodities to be used and foods to be purchased. They are also preparing menu series to meet storage and transportation limitations and still provide nutritious, appetizing lunches.

Since lunches in remote schools may be prepared by helpers with limited experience in this kind of cooking, simplified instructions are being devised. (“Open three cans of meat and two cans of tomatoes.”). And since schools are frequently the only buildings in their villages with electricity, the meals will probably be prepared in the teachers' quarters in the building.

*The place . . .*



*. . . the people.*



# CONSUMER AND MARKETING BRIEFS

*Selected short items on C&MS activities in consumer protection, marketing services, market regulation, and consumer food programs.*

## **MILK ORDERS HELP ASSURE ADEQUATE SUPPLIES**

Several important actions under the Federal milk marketing order programs helped assure adequate supplies of fresh, wholesome milk for Americans during 1966.

With milk production decreasing across the Nation, serious shortages of milk were threatened until the U.S. Department of Agriculture acted to strengthen prices farmers receive for their milk, and thus encourage sufficient production to meet consumer demands.

Total milk production in January and February 1966 was more than 5 percent below a year earlier, but in recent months production has been stronger, and milk production for the year was about 3 percent below 1965. By the end of the year, milk production began to edge above year-earlier levels.

Some 146,000 dairy farmers during the year delivered nearly 53.1 billion pounds of milk—12.3 billion half-gallons—valued at about \$2.7 billion based on minimum prices specified in milk order provisions. This was an average price of about 22 cents a half-gallon which farmers received for the milk they supplied to areas regulated under the Federal milk marketing order program.

The USDA estimates that at the

beginning of 1967 about 114 million Americans were getting their milk supply through dealers whose operations come under the 73 Federal milk marketing orders. The marketing order areas include most of the nation's major population centers.

Never before have so many people been served by the Federal milk orders, which are initiated at the request of dairy farmers. They are made effective and continue in effect only with the farmers' approval, and are administered by USDA's Consumer and Marketing Service.

Adoption of new orders, expansion in marketing areas covered by existing orders, and population gains in areas already covered, accounted for the increase in total population of the milk order areas.

The orders establish minimum prices to dairy farmers, based on supply and demand conditions. They are flexible enough to meet and ameliorate changing marketing conditions which endanger supplies of milk for the public.

Only at this first level of trade, however, as milk leaves the farm to enter the marketing system, do Federal orders set prices for the milk. In so doing they lay the groundwork for building more stable marketing conditions between dairy farmers and dealers. The ensuing benefit to people living in areas covered by the orders is a sure supply of fresh, high-quality milk for their day-to-day needs.

## **FOOD STAMP NEWS**

Low-income families in a Chicago neighborhood "got the message" after seeing an exhibit set up by a civic group devoted to helping low-income families. The message: "Don't buy food, buy food-stamp coupons, and get more food than your money could buy alone."

The exhibit contrasted two stacks of groceries—one purchased with \$50 cash and a larger one that could have been purchased with \$50 converted to a food-stamp allotment.

\* \* \*

In many food stamp areas, local welfare workers have explained the program so carefully to participants that local merchants have little trouble complying with the program's provisions. Food Stamp shoppers separate eligible foods from ineligible items when they appear at the checkout stand, and never ask the merchant to accept stamps for anything other than food.

\* \* \*

The U.S. Department of Agriculture's Food Stamp Program, administered by the Consumer and Marketing Service, is now an historical fact. The Department of Civil History of the Smithsonian Institution now displays sample food stamp coupons in its Numismatic Collection. Samples were furnished by C&MS after the Smithsonian requested them.



*(continued from page 9)*

Good news for mid-winter shoppers is the colorful array of fresh citrus at produce counters. Fresh oranges and grapefruit along with pork, eggs, canned salmon, dry beans and split peas are on the February list of plentiful foods, compiled by the Consumer and Marketing Service.

This season's orange crop, as of December 1 estimates, will likely be the largest on record. Most of the increased production is in Florida, but Texas also expects a bigger crop than last year. Production of navel oranges in California and Arizona, while below last season, is still larger than average.

Likewise the fresh grapefruit output this season is forecast 10 percent above a year ago, with larger crops in both Florida and Texas. All this means excellent supplies of quality citrus—high in nutrition and flavor but low in calories.

Pork will be in greater plenty in February than a year ago. Shoppers can be on the lookout for mid-winter specials on this main-dish choice.

Breakfast planners can count on greater supplies of eggs all during February. C&MS commodity specialists believe an upward trend in production will continue through early 1967.

Plenty of canned salmon for Lenten menus includes good supplies of both red and pink salmon. The total 1966 pack was about half a million cases larger than in 1965.

For hearty and nourishing winter fare that's low in cost turn to the bounty of dry beans and green split peas. The 1966 record bean crop will bring an abundance of several varieties—Pea beans, Pintos, Great Northerns and Red Kidney Beans to market in February. These protein-rich beans and peas are just right for steaming chowders, soups, casseroles, or Mexican chili, on a cold winter day.

Food Marketing Commission, after looking into the matter, proposed to shore up market news services and make them more effective.

Among proposals the Commission offered was one to give higher priority to advance supply information for perishables. It also offered these two others, each packing a punch: "...The Department of Agriculture should be authorized to require submission of prices, quantities bought or sold, grades, and similar information by firms transacting business in foods, including growers, in such forms as is essential to the prompt publication of news about market prices and product movement."

And, "In view of the increasing importance of sales arrangements made well in advance of delivery, ... the Department of Agriculture should explore means of reporting forward prices, contract terms, and other potential successors of ordinary spot prices."

These and other questions such as extending market news reports for some commodities to the retail level will fuel the conversation of marketing's hot-stove league for some years to come.

In conclusion, these three "proverbs" seem to summarize the situation.

1. Timely and accurate market information is essential to a good decentralized open-market system for the marketing of farm products.

2. Market news reporting is built on the principle of reciprocity. Only as market buyers and sellers provide information can they receive reliable information in return.

3. And, as S. R. Smith, Administrator of the Consumer and Marketing Service, said in a recent talk: if the Market News Service is to fulfill its responsibilities it is necessary to keep alert to new developments in the marketing system and to modify market news resources and techniques accordingly.

## FOOD TIPS

—from USDA'S Consumer and Marketing Service

You won't have any trouble selecting the right **butter** when you look for the U.S. grade shield. Butter graded AA will have a fine aroma and a delicate flavor because it's made from fresh sweet cream. Grade A butter is almost as good as the top grade. To keep your butter in the fine condition you bought it in, store in the original protective wrapping until ready for use—it has a high sensitivity to strong-flavored foods.

\* \* \*

The USDA grade shield on cartons of **eggs** tells you that the eggs have been graded for both size and quality. Size refers to minimum weight per dozen. Grade refers to interior quality and the condition and appearance of the shell. Size and grade are not related. Large eggs may be of high or low quality; high quality eggs may be any size. Grade AA (or Fresh Fancy) or Grade A eggs are best for frying and poaching, although they are ideal for all purposes. Grade B eggs are fine for general purpose cooking, where appearance is not important.

\* \* \*

There is quite a price difference in **lamb chops**, people who like them have noticed. Blade or arm chops of the USDA Choice grade often sell for half the price of rib or loin chops of the same grade. But blade or arm lamb chops are just as nutritious as the other chops and they can be prepared in the same ways—charcoal grilled, broiled, and pan fried. Buy USDA Prime or Choice lamb for best results.

# WHEAT —

## A Story of Mechanized Marketing

By Howard H. Woodworth

*(Editor's Note: The first official standards for wheat became effective July 1, 1917, and as the fiftieth anniversary of these standards nears, it seems appropriate to review some of the changes that have taken place in the marketing of wheat).*

*The author is Chief, Inspection Branch, Grain Division, C&MS, USDA.*

**M** ECHANIZATION, WHICH HAS changed all facets of American life, has had—and is still having—far-reaching effects in wheat marketing. Back in the early 1900's some "mechanization" was used, but basically wheat marketing was a hand-labor and horse-drawn vehicle operation.

In those early days, harvesting in the Wheat Belt—Kansas, Nebraska, Colorado, Oklahoma, Texas and the Dakotas—often began with a binder, which cut and bound the wheat. About ten of these twine-bound bundles were then stacked in a formation called a shock, where the wheat ripened for several weeks. The grain was cut before it was completely ripe because if the kernels were too ripe they would be shattered by the binder.

The bundles were then loaded by hand onto a horse-drawn wagon for transport to a steam-powered threshing machine which separated the wheat from the chaff and straw. This was the time of "custom threshing," when one machine served the farmers of an entire area and then "moved on" with the harvesting season.

The grain was then bagged and loaded onto a wagon to be hauled to the country elevator, and in this

step of marketing, as in the other steps, a farmer often cooperated with his neighbor.

Today, one machine—the combine—cuts and threshes the wheat, and trucks carry the unbagged grain to the local or country elevator.

Although the trend is to fewer and bigger country elevators, it is this stage of the marketing process that has not changed drastically. The country elevator is usually the first destination and the wheat is still generally bought at a "station average," a price which may be subject to deductions for dockage or for poor quality wheat—wheat with a high moisture content, broken kernels or containing foreign matter. But premiums are seldom offered for high quality.

At the terminal market, the next point of concentration after the country elevator, grain is bought and sold by official grades set by the U.S. Department of Agriculture's Consumer and Marketing Service. The inspection and grading is performed by personnel licensed by USDA—either private, State, or industry employees.

This work is conducted under the U.S. Grain Standards Act, administered by C&MS' Grain Division. The law provides that grain must be officially sampled and graded if sold by grade and shipped in interstate or foreign commerce from or to a place where a licensed inspector is located. The basic purpose of the act is to provide a "yardstick" for classifying grain according to quality for trading purposes.

In this aspect of the marketing process, too, mechanization has come to play a prominent role. Wheat (as all other grains) is assigned a grade (ranging from No. 1 to Sam-

ple Grade, with No. 1 being the top grade) on the basis of cleanliness, plumpness, dryness, and freedom from defects. These are the same characteristics by which the grade was determined after the first standards were issued in 1917. But in the early years, subjective testing by the inspector was the only means of determining the grade. Today, mechanical equipment provides more objective testing.

Objective and efficient testing is of great importance in wheat marketing since more than half of the one billion bushels of wheat produced in the U.S. each year are exported.

Most of the wheat grown here is hard red winter wheat. This is mainly a wheat for bread flour, and the demand for bread per person is decreasing in the U.S. and increasing in some foreign countries. This is partially responsible for the increasing market for wheat in foreign countries.

The increase in exportation has led to the construction of big export centers along the lower end of the Mississippi, the Gulf Coast and the Great Lakes. The number of export elevators is increasing, with some elevators having a three to ten million bushel storage capacity. Also, the capacity of export vessels now ranges from 300,000 to 2 million bushels.

The huge increase in the export trade means that the wheat is moved in shipments of ever-increasing size. Generally, the individual producer sells his wheat to the country elevator. The grain is then transported by truck or rail to a terminal elevator and then to an export elevator—and each time the size of the shipment is increased measurably.



In this transportation area, too, mechanization has led to the saving of time and man-hours. Many new "hopper cars"—which hold about twice as much as the regular rail cars—are now in use. And, there are now "mechanical unloaders" which empty the grain by tilting the box car while the car is on the track, thus eliminating much of the manpower and man-hours previously necessary.

Almost 100 per cent of the exported wheat is sampled and graded. In fact, this might be done four times. The grade of a boxcar of wheat, for example, may be determined both when the boxcar enters and when it leaves the terminal elevator. And, since several different grades of wheat may be mixed for shipment by export vessel, the grain is again graded upon entering and leaving the export elevator.

The grading of wheat—plus all other grains—requires a force of 300 Federal graders, 700 licensed inspectors, and 1,500 samplers and lab technicians who work with the licensed inspectors.

These people have an important role not only in foreign but also in domestic marketing. Domestic mills must produce a uniform flour, and to do this they need wheat of uniform quality. The process of achieving this starts with grading.

Millers generally contract to purchase wheat of a specified quality. Sometimes the purchase is handled by a commercial broker, operating between the producer or marketer and the miller, but the trend is toward direct dealing.

Sometimes, however, the millers may purchase grain from the "cash floor" of one of the larger exchanges. Grain samples are sent to the cash floor for the millers to inspect after official sampling and grading.

Mechanization is also entering the area of grain sampling. Presently, the most important tool of the trade for a sampler is a "grain probe"—an instrument five to six feet long which is inserted in about five places in a carload of grain to get a representative sample.

Experiments are now being conducted on mechanical grain samplers,

which take a "cross-section" sample at timed intervals during the loading or unloading of a truck, box car or ship. Some of these are in actual use; their installation must be approved by USDA and the equipment must be manned by official inspection personnel.

Mechanization has become a fact of wheat marketing, and it will continue to play a major role in the process. In the future, mechanical sampling will increase along with mechanical grading. Even now, USDA is planning several research projects on the mechanization of grain grading.

Also, the trends toward more direct channels of marketing will continue. The country elevators that are now increasing in size may become subterminal elevators. This means that grading may be conducted at these elevators, and the wheat, instead of going in and out of several markets, may be transported directly to the mill or export shipping point.

*The horse-drawn binder (top) of the early 1900's has given way to the modern combine in wheat harvesting. The combine does the work previously requiring a binder and a threshing machine.*



*This New Orleans elevator, typical of many other elevators, has grain storage bins and equipment for loading or unloading of railroad cars, ships and barges.*



OFFICIAL BUSINESS

*State department of agriculture representatives*

## EXPLORE EXPORT OPPORTUNITIES

*at foreign marketing workshop*

AGRICULTURAL EXPORTS "are making an important contribution to the current bright picture for American agriculture. Surpluses are down and income is up. Exports are one of the reasons," said Secretary of Agriculture Orville L. Freeman.

The 60 or so representatives of State departments of agriculture listening to the Secretary were aware that exporting had a lot to do with the bright picture of agriculture painted by Mr. Freeman. That was the reason they were there—attending the first workshop on export promotion for State department of agriculture personnel. The three-day workshop, attended by members of 28 State departments of agriculture, was jointly sponsored by the marketing development program of the Foreign Agriculture Service and the Matching Fund Program of USDA's Consumer and Marketing Service. It was held last fall in Washington, D.C.

"It was a nuts and bolts session," says George H. Goldsborough, director of the C&MS Matching Fund Program, "and we covered a lot of ground. The purpose of the session

was to acquaint the State people with the opportunities, as well as the resources and problems involved in selling U.S. products abroad." Goldsborough said the workshop "provided a basis for even more effective efforts in expanding today's record-level exports."

The foreign marketing workshop was an opportunity to look at the export picture from every possible angle. After speeches and visual presentations, question and answer periods were used to try to get at the secrets of success in foreign markets. Very basic subjects, such as what kinds of bills of lading and other documents are used and how to find a market, were discussed along with the complex intangibles of foreign marketing. In addition, State representatives gave case histories of their problems and programs, told success stories, discussed commodity outlook with Foreign Agriculture Service experts, and in general exchanged know-how.

Discussion brought out how some State problems were solved—and the solutions were as varied as the States. For example, Virginia found a trans

portation specialist to be the answer to reducing costs of exporting, an answer that enabled the State to follow through on the first shipment of live cattle to Italy in 50 years. Minnesota representatives said they think it is important to have their marketing people present at trade fairs and exhibits to follow up on leads of potential customers. Maine has a display of Maine products aboard a training ship that visits foreign ports.

After the three full days of thought-provoking sessions, these were some of the conclusions reached:

—Opportunities abound for cooperators with FAS in the field of foreign marketing. The work is hard and unceasing, but the rewards are great.

—Foreign export marketing is a field for experienced personnel.

—Salesmanship is a very important part of foreign marketing. "The customer is king" is the philosophy that holds a market.

—It is essential to have a quality product to sell.

—Competition between States is healthy, but cooperation between States is even healthier.